



Billing Code 8025-01

SMALL BUSINESS ADMINISTRATION

Small Business Size Standards: Termination of Nonmanufacturer Rule Class

Waiver

AGENCY: U.S. Small Business Administration.

ACTION: Notice of Termination of the Class Waiver to the Nonmanufacturer Rule for Rubber Gloves.

SUMMARY: The U.S. Small Business Administration (SBA) is terminating a class waiver of the Nonmanufacturer Rule (NMR) for “Gloves, rubber (e.g., electrician's, examination, household-type, surgeon's), manufacturing” based on SBA’s discovery of small business manufacturers. Terminating this waiver will require recipients of Federal contracts (except those valued between \$3,500 and \$150,000) set aside for small business, service-disabled veteran-owned small business (SDVOSB), women-owned small business (WOSB), economically disadvantaged women-owned small business (EDWOSB), or participants in the SBA’s 8(a) Business Development (BD) program, to provide the products of small business manufacturers or processors on such contracts for rubber gloves, unless a Federal Contracting Officer obtains an individual waiver to the NMR.

DATES: This action is effective [INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Roman Ivey, Program Analyst, by telephone at 202-401-1420; or by email at roman.ivey@sba.gov.

SUPPLEMENTARY INFORMATION:

Section 8(a)(17) and 46 of the Small Business Act (Act), 15 U.S.C. 637(a)(17) and 657, and SBA's implementing regulations require that recipients of Federal supply contracts (except those valued between \$3,500 and \$150,000) set aside for small business, service-disabled veteran-owned small business (SDVOSB), women-owned small business (WOSB), economically disadvantaged women-owned small business (EDWOSB), or participants in the SBA's 8(a) Business Development (BD) program provide the product of a small business manufacturer or processor, if the recipient is other than the actual manufacturer or processor of the product. This requirement is commonly referred to as the Nonmanufacturer Rule (NMR). 13 CFR 121.406(b). Sections 8(a)(17)(B)(iv)(II) and 46(a)(4)(B) of the Act authorize SBA to waive the NMR for a "class of products" for which there are no small business manufacturers or processors available to participate in the Federal market.

As implemented in SBA's regulations at 13 CFR 121.1204(a)(7), SBA will periodically review existing class waivers to the NMR in order to determine whether small business manufacturers or processors have become available to participate in the Federal market. Upon receipt of information that such a small business manufacturer or processor exists, the SBA will announce its intent to terminate the NMR waiver for a class of products. 13 CFR 121.1204(a)(7)(ii). Unless public comment reveals that no small business manufacturer exists for the class of products in question, SBA will publish a final Notice of Termination in the Federal Register. 13 CFR 121.1204(a)(7)(iii).

On October 27, 2016, SBA received a request to terminate the current class waiver to the NMR for "Gloves, rubber (e.g., electrician's, examination, household-type,

surgeon's), manufacturing” under North American Industry Classification System (NAICS) code 339113 (Surgical Appliance and Supplies Manufacturing), Product Service Code (PSC) 9320 (Rubber Fabricated Materials). The requester provided evidence that there is a small business manufacturer that has submitted offers on solicitations for government contracts within the last 24 months. SBA issued a Federal Register notice of its intent to terminate the class waiver on March 14, 2017, 82 FR 13704. In response to this notice, SBA did not receive any comments from the public.

As a result of this NMR class waiver termination, under a small business set-aside, small business dealers are no longer able to provide the product of an other than small manufacturer on contracts of those types for “Gloves, rubber (e.g., electrician's, examination, household-type, surgeon's), manufacturing,” unless a Federal Contracting Officer obtains an individual waiver to the NMR.

Therefore, SBA is retracting the NMR class waiver previously granted for Rubber Gloves, identified under PSC 9320 and NAICS code 339113.

More information on the NMR and Class Waivers can be found at <https://www.sba.gov/contracting/contracting-officials/non-manufacturer-rule/non-manufacturer-waivers>.

Seán F. Crean,
Director, Office of Government Contracting.

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